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HOUSE BILL 888

**49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009**

INTRODUCED BY

Thomas A. Garcia

AN ACT

RELATING TO TAXATION; AMENDING THE INCOME TAX ACT; AMENDING THE CORPORATE INCOME AND FRANCHISE TAX ACT; CREATING THE VETERANS EMPLOYMENT TAX CREDIT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted to read:

"[NEW MATERIAL] MILITARY VETERANS EMPLOYMENT TAX CREDIT.--

A. To encourage New Mexico businesses to hire military veterans, a taxpayer who files an individual New Mexico income tax return, who is not a dependent of another individual and who is the owner of a New Mexico business may claim a credit in an amount equal to three hundred dollars (\$300) of the gross wages paid to each qualified military veteran who is employed in New Mexico by the taxpayer during

underscoring material = new  
[bracketed material] = delete

1 the taxable year for which the return is filed. The tax credit  
2 provided by this section may be referred to as the "veterans  
3 employment tax credit".

4 B. A taxpayer who is the owner of a New Mexico  
5 business may claim the veterans employment tax credit provided  
6 in this section for each taxable year in which the taxpayer  
7 employs one or more qualified military veterans, provided that  
8 the taxpayer may not claim the veterans employment tax credit  
9 for any individual qualified military veteran for more than two  
10 calendar years from the date of hire.

11 C. To claim the veterans employment tax credit, the  
12 taxpayer shall submit with respect to each employee for whom  
13 the credit is claimed:

14 (1) information required by the secretary  
15 with respect to the employee's employment by the taxpayer  
16 during the taxable year for which the credit is claimed; and

17 (2) information required by the secretary  
18 establishing that the employee is a qualified military veteran  
19 and was not also employed in the same taxable year by another  
20 New Mexico business qualifying for and claiming a veterans  
21 employment tax credit for that employee pursuant to this  
22 section or the Corporate Income and Franchise Tax Act.

23 D. The veterans employment tax credit may only be  
24 deducted from the taxpayer's corporate income tax liability for  
25 the taxable year, except that any portion of the maximum credit

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1 provided by this section that remains unused at the end of the  
2 taxpayer's taxable year may be carried forward for three  
3 consecutive taxable years.

4 E. As used in this section:

5 (1) "New Mexico business" means a business  
6 that carries on a trade or business in New Mexico; and

7 (2) "qualified military veteran" means an  
8 individual who is hired within one year of receipt of an  
9 honorable discharge from a branch of the United States  
10 military."

11 Section 2. A new section of the Corporate Income and  
12 Franchise Tax Act is enacted to read:

13 "[NEW MATERIAL] MILITARY VETERANS EMPLOYMENT TAX CREDIT.--

14 A. To encourage New Mexico businesses to hire  
15 military veterans, a taxpayer that is a New Mexico business and  
16 that files a corporate income tax return may claim a credit in  
17 an amount equal to three hundred dollars (\$300) of the gross  
18 wages paid to each qualified military veteran who is employed  
19 in New Mexico by the taxpayer during the taxable year for which  
20 the return is filed. The tax credit provided by this section  
21 may be referred to as the "veterans employment tax credit".

22 B. A taxpayer may claim the veterans employment tax  
23 credit provided in this section for each taxable year in which  
24 the taxpayer employs one or more qualified military veterans,  
25 provided that the taxpayer may not claim the veterans

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1 employment tax credit for any individual qualified military  
2 veteran for more than two calendar years from the date of hire.

3 C. To claim the veterans employment tax credit, the  
4 taxpayer shall submit with respect to each employee for whom  
5 the credit is claimed:

6 (1) information required by the secretary  
7 with respect to the employee's employment by the taxpayer  
8 during the taxable year for which the credit is claimed; and

9 (2) information required by the secretary  
10 establishing that the employee is a qualified military veteran  
11 and was not also employed in the same taxable year by another  
12 New Mexico business qualifying for and claiming a veterans  
13 employment tax credit for that employee pursuant to this  
14 section or the Income Tax Act.

15 D. The veterans employment tax credit may only be  
16 deducted from the taxpayer's corporate income tax liability for  
17 the taxable year, except that any portion of the maximum credit  
18 provided by this section that remains unused at the end of the  
19 taxpayer's taxable year may be carried forward for three  
20 consecutive taxable years.

21 E. As used in this section:

22 (1) "New Mexico business" means a corporation  
23 that carries on a trade or business in New Mexico; and

24 (2) "qualified military veteran" means an  
25 individual who is hired within one year of receipt of an

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